



California Workforce Investment Board Agenda Packet



Thursday
May 12, 2005
10:00 a.m. – 12:00 p.m.
Cal/EPA Building, Joe Serna Building
Central Valley Auditorium
1001 I Street
Sacramento, California



CALIFORNIA WORKFORCE INVESTMENT BOARD

MEETING NOTICE

Cal/EPA Building
Central Valley Auditorium
1001 I Street
Sacramento, CA 95814

Thursday, May 12, 2005
10:00 a.m. – 12:00 p.m.

Stated time of meeting conclusion is approximate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn.

Lawrence Gotlieb
Chairman

Christine Essel
Vice Chair



Arnold Schwarzenegger
Governor

Paul Gussman
Acting Executive Director

AGENDA

1. WELCOME AND OPENING REMARKS

- Larry Gotlieb, Chair

2. DISCUSSION OF STRATEGIC TWO-YEAR PLAN

3. APPROVAL OF STRATEGIC TWO-YEAR PLAN

4. ADMINISTRATIVE ACTION

- Approval of Bylaws
- Approval of February 17, 2005 Meeting Summary
- Approval of April 12, 2005 Meeting Summary
- Approval of High Concentrations of Eligible Youth Criteria
- Status Report - Workforce Information Grant
- Update - Annual Report to the Department of Labor
- Status Report – Evaluation of California's Workforce Development System: Second Interim Report

5. PUBLIC COMMENT

6. OTHER BUSINESS THAT MAY COME BEFORE THE BOARD

In order for the Board to provide an opportunity for interested parties to speak at the public hearings, public comment may be limited. Written comments provided to the California Workforce Investment Board must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 324-3425 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce Investment Board website at <http://www.calwia.org> or contact Teresa Gonzales for additional information.

Welcome and Opening Remarks

- **Larry Gotlieb, Chair**

Discussion of Strategic Two-Year Plan

Discussion of California's Strategic Two-Year State Plan for the Workforce Investment Act and Wagner-Peyser Act

Background

The U.S. Department of Labor's Employment and Training Administration published the Planning Guidance and Instructions for Submission of two years of the Strategic Five-Year State Plan for Title I of the Workforce Investment Act (WIA) of 1998 and the Wagner-Peyser Act. This Strategic Plan is required in order for the State to receive its federal WIA allocation for Fiscal Year 2005-06. The Plan is due to the Department of Labor by May 31, 2005.

Summary

At its February 17, 2005 meeting, the State Board established a comprehensive process for the development of California's Plan based on maximum public and partner involvement and input, which will continue until completion and submission of the final Plan to the U.S. Department of Labor by May 31, 2005.

Aside from a full 30-day public comment period and two State Board meetings for public input on the Plan, the State Board assigned elements of the Plan to each of its three, current special committees for public discussion and consideration. The State Board also directed staff to conduct Plan development meetings for both State and local partners.

The input received and the issues raised through this process has been reviewed and considered by the State Board staff for inclusion in the two-year Plan. These comments have been captured and will be shared with the State Board and Committee members during the State Board's ongoing work. Attachment 1 is the Executive Summary contained in the Two-Year Strategic Plan. Attachment 2 captures the major themes from the public comment process categorized by the four priority areas identified in the Plan.

CALIFORNIA’S STRATEGIC TWO-YEAR WORKFORCE INVESTMENT ACT PLAN EXECUTIVE SUMMARY

The following summary of the Plan provides a brief overview of:

- ✓ The Governor’s workforce investment vision and priorities;
- ✓ The economic and labor market analysis contained in the Plan; and
- ✓ The broad, high-level workforce issues described in the Plan.

Vision and Priorities

California’s entrepreneurial, innovation-based businesses require a world-class workforce in order to grow and thrive. In recognition of this, the Governor’s vision is that the State’s broad system of public workforce programs prepare future and current workers for the new economy in order to create stable, reliable, higher-wage jobs that will assist in improving the quality of life for all Californians and their communities. In order to achieve this, California’s statewide, locally-based workforce investment system must be able to continuously prepare the State’s available and future workers for careers in the industries and sectors that are most vital to the State’s economic health and growth.

This can only be done if the business-led California Workforce Investment Board (State Board) and Local Workforce Investment Boards (Local Boards) continuously improve at:

- ✓ Understanding and meeting the workforce needs of business and industry, and taking full advantage of federal flexibility and waiver provisions;
- ✓ Targeting resources where the most economic impact can be gained;
- ✓ Collaborating to improve California’s educational system at all levels in order to equip youth and lifelong learners with the skills they need to be successful in the workplace; and
- ✓ Maximizing the accountability of public and private resources invested in workforce development.

These four activities are key priorities in achieving the Governor’s vision for California’s workforce system. A brief discussion of each priority follows.

Understanding and Meeting the Workforce Needs of Business and Industry in Order to Prepare Workers for 21st Century Jobs

This priority includes the following:

- ✓ Increase State and local partnerships and linkages between the education, workforce, and economic development systems;
- ✓ Improve the shared accountability of publicly funded programs;
- ✓ Develop stronger partnerships with Local Boards;
- ✓ Promote policies supporting management/labor partnerships in “high road” industry sector initiatives;
- ✓ Provide policies supporting local business services; and
- ✓ Take full advantage of federal flexibility and waiver provisions.

Meeting the workforce needs of business and industry and improving California’s business climate are the Governor’s two primary goals for attracting, growing, and retaining business. California’s robust, global economy, which is based on innovation and entrepreneurship, requires a transitional workforce that is continuously prepared with the skills and education necessary to support new and ever-advancing industries, occupations, and careers. In order to prepare available and future workers with the aptitudes and skills that business and industry require, the workforce and education systems must develop stronger partnerships and more effective communication with business and industry.

California’s workforce investment system and the partnerships that comprise it are based in and directed by local and regional communities. Developing and supporting strong, business-led Local Boards that interact with and serve their economies both locally and regionally can ensure that California’s workforce investment system will remain relevant by:

- ✓ Becoming increasingly demand driven;
- ✓ Eliminating duplicative administrative costs and services;
- ✓ Enhancing service integration through local One-Stop Career Center systems;
- ✓ Targeting youth program investments to those most in need;
- ✓ Continuing to improve workforce information systems;
- ✓ Partnering effectively with faith-based and community-based organizations,
- ✓ Taking full advantage of federal waiver flexibility; and
- ✓ Improving and simplifying performance accountability across programs.

Targeting Limited Resources to Areas Where They Can Have the Greatest Economic Impact

This priority includes the following:

- ✓ Focus these investments on –
 1. High-wage, high-growth jobs,
 2. Advancing workers with barriers to employment, and
 3. Industries and sectors experiencing statewide shortages of workers; and
- ✓ Track the effectiveness of investments and recommend shifts to new target areas as circumstances warrant.

These targeted investments will support high-skilled, high-growth industries such as Biotech that are creating new, high-wage jobs. The second priority targets resources to serve California's emerging and available workers, such as persons with disabilities or language barriers, who have significant barriers to employment and career advancement. The third priority targets industries that have a statewide impact, that are vital to the State's economic and societal stability, and are suffering significant shortages of workers in occupations such as nursing.

These are currently the three areas for which the targeting of resources will produce the most positive economic impact. The State Board, in its partnership with other workforce, education, and economic development programs will continually track these investments in order to recommend shifts to new target areas as the economy and workforce transition and grow.

Collaborating to Improve California's Educational System At All Levels

This priority includes the following:

- ✓ Strengthen career technical and vocational education at all levels of education;
- ✓ Increase the number of high school graduates;
- ✓ Promote partnerships between the State and Local Boards and education; and
- ✓ Align life-long learning opportunities with the new economy.

A flexible, outcomes-based education system is vital, at all of its levels from kindergarten through graduate studies, to providing both youth and adults with lifelong-learning opportunities that are aligned with the needs of the new and changing economy. It is critical, for instance, that California improve core K-12 education to prepare future workers with the skills and information necessary for careers in the 21st Century economy. The Governor also believes that all of California's youth, particularly those most in need, must have opportunities for successful careers, so the State is pursuing initiatives to:

- ✓ Increase the number of high school graduates, particularly within groups that now have higher than average non-completion rates;
- ✓ Strengthen the career technical and vocational education components within K-12 education, high schools, and community colleges;
- ✓ Establish coordinated strategies for improvement that include K-12, community colleges, adult education, and the University of California and California State University systems; and
- ✓ Use labor market and economic information in new and innovative ways to guide curriculum reforms in education and training.

The Governor and the State Board are partnering more closely with education in order to influence and achieve these outcomes. The blending of the workforce development and education systems is critical to sustaining and advancing California's economy and quality of life. The Governor's goal is to achieve a true continuum of education and training to support a workforce that can make the necessary transitions between occupations, industries, and careers through lifelong learning and skill advancement as the State's economy evolves.

Ensuring the Accountability of Public and Private Workforce Investments

This priority includes the following:

- ✓ Improve State and local government partnerships and coordination to achieve a more efficient use of public and private resources and direct savings into improved and expanded services such as workforce training; and
- ✓ Leverage federal and private sector commitments and resources; and
- ✓ Maximize the effectiveness and efficiency of the workforce investment system.

One of the Governor's first actions upon entering office was to order a top-to-bottom review of State government. In order to make state government more effective and efficient, seven principles were established for building partnership, providing better service, and eliminating waste.

State and local governments must:

- ✓ Act as partners,
- ✓ Communicate effectively,
- ✓ Have predictable funding,
- ✓ Be performance-based and accountable,
- ✓ Have clear roles and responsibilities,
- ✓ Be streamlined,
- ✓ Be flexible and innovative, and
- ✓ Change for the future.

As part of this effort, the Governor has directed the departments and agencies within his administration to significantly improve State government performance. Optimizing coordination and communication, and strategically sharing and investing resources are key initiatives in making California's public service infrastructure as effective and efficient as it can be. This is particularly true in eliminating duplication of services and achieving administrative efficiencies at both the State and local levels. Savings can then be directed towards improved public services such as workforce training.

As an example, the Governor is working actively with many State agencies to address economic development and workforce challenges across public systems. Among these governmental entities are the State Board; the California Department of Education; the University of California system; the California State University system; the California Community Colleges Chancellors Office; the Labor and Workforce Development Agency (LWDA); the Business, Transportation, and Housing Agency (BTHA); the California Health and Human Services Agency; the Employment Training Panel (ETP); the California Economic Strategy Panel; and the Governor's Commission on Jobs and the Economy.

These entities and others are coordinating and planning strategically to identify the economic, education, and workforce challenges facing California and to develop solutions to address those challenges. An important direction is to more effectively coordinate and administer public funding for the programs and services these governmental organizations provide, as well as for the populations and businesses they serve. As one result of this, the LWDA and the BTHA have formed a new partnership to better coordinate the strategic business development, workforce investments, and services of their respective agencies. The LWDA and the State Board will continue to strengthen their partnership with Local Boards, local One-Stop Operators, and local partner programs in identifying administrative efficiencies and governmental cost savings in order to maximize the investment of available funds in training services in areas that currently have the most economic impact.

The Governor is also expanding State and local intergovernmental efforts to improve public/private partnerships in an effort to better coordinate public and private sector investments and resources. The private sector invests significant resources, both through businesses and foundations, in recruiting and training new employees, as well as in training existing employees for new and more demanding jobs. The public sector can more effectively leverage and employ private sector investments in the public workforce system if it can demonstrate strategic investments of its own, such as California's ETP funding. New accountability and administrative efficiencies, that result in expanded and improved services to both the citizens and the businesses of California, will also improve the public sector's ability to leverage private sector commitments and resources.

Summary of California's Economy

State's economic base

California has the largest labor market in the nation, with 14.5 million non-farm jobs (11 percent of the nation's non-farm jobs), and 385,700 jobs in the farm sector – a total of 14.9 million jobs in 2004. California's largest industries are trade, transportation and utilities (2.7 million jobs), government (2.34 million jobs), and professional and business services (2.16 million jobs). Natural resources and mining is the smallest (21,800 jobs.)

Projected growth and decline

Ninety percent of the industries projected to grow over the next decade are in the service-producing industries: administrative and support services; healthcare services; retail trade; accommodation and food services; and professional, scientific and technical services. Construction, which is a goods-producing industry, is also expected to grow fairly rapidly.

Industries forecast to decline over the next decade include manufacturing production industries in areas such as apparel manufacturing, computer and peripheral equipment manufacturing, and plastics manufacturing. The 50 occupations with the largest forecast growth over the next decade are expected to generate nearly 1.4 million new jobs and almost 1.7 million additional opportunities due to separations (vacancies left when an individual retires, changes careers, or leaves for personal reasons) – 3.1 million total job openings. The fastest growing occupations are concentrated in healthcare, construction, education, and computer related fields.

Demand for skilled workers

Skilled work is defined as jobs requiring at least long-term (12 months or more) on-the-job training, including work experience in a related occupation, vocational training, and college education through a first professional degree. The top 10 largest growth skilled occupations in California account for growth of approximately 341,000 new jobs in the next decade. These top growth occupations include registered nurses, general and operations managers, carpenters, elementary school teachers, computer software engineers (applications), police and sheriff's patrol officers, secondary school teachers, maintenance and repair workers, first line supervisors/managers of retail sales workers, computer software engineers (system software), accountants, and auditors.

Jobs most critical to the State's economy

Critical jobs are linked to the U.S. Department of Labor's High-Growth Job Training Initiative, and dovetail with high-growth industries identified by the California Regional

Economies Project. High Growth industries include advanced manufacturing, automotive, biotechnology, construction, geo-spatial, health care, hospitality, information technology, retail, energy, financial services, and transportation.

Common skills needs across industries

- ✓ Active listening – giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.
- ✓ Critical thinking – using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions, or approaches to problems.
- ✓ Mathematics – using mathematics to solve problems.
- ✓ Reading comprehension – understanding written sentences and paragraphs in work-related documents.
- ✓ Speaking – talking to others, especially in English, to convey information effectively.

Demographics

The most populous state in the nation, California had 36.6 million residents as of July 1, 2004. Forty-seven percent of the residents are White; 33 percent are Hispanic; 11 percent are Asian; and 6.5 percent are Black. In 2004, California had 26.9 million working aged (16 and over) residents, of which 17.7 million were in the labor force – 16.6 million employed, and 1.1 million unemployed. California's population is slightly younger than the national population, and more diverse – with a substantially larger percentage of Hispanics.

The labor force is highly skilled – over 40 percent of the working population had a college degree, and three-quarters of these had a bachelor's degree or higher. In contrast, 16 percent of the workers aged 25-50 years have not received a high school diploma or General Equivalency Diploma. One-tenth of California workers in 2004 lived in a household where all adults spoke only Spanish.

In-migration/out-migration

Net migration (in-migration less out-migration) exceeded 200,000 persons per year in 23 of the past 30 years, 1975-2004. This accounted for more than half of the State's population growth in 17 of the 30 years. During the most recent year, net immigration contributed 283,600 new California residents – 47 percent of the total population change for that year.

Current and Projected Skills Gaps

Analytical tools that may help analyze skills gaps include studying changes in average industry wage levels, tracking training program completers in light of occupational

projections, and tracking employer reported shortages. Using these methods, the State identified 15 occupations (11 of which are skilled) anticipated to have long-run shortages: accountants and auditors; automotive mechanics; carpenters; computer software engineers, applications and systems software; dental hygienists; elementary school teachers; heating, air conditioning, and refrigeration technicians; home health aides; general and operations managers; medical assistants; office clerks; police and sheriff's patrol officers; registered nurses; secondary school teachers; and truck drivers – heavy and tractor-trailer.

Key Workforce Issues

California has the nation's largest labor force and thus has a myriad of issues that the workforce development system must address to ensure that employers have a highly- skilled highly-trained workforce. While some of these issues were identified through an analysis of the economy and labor market, others were identified through the Two-Year Plan planning process.

The economic data suggest that three of the top ten largest-growth skilled occupations in California require long-term on the job training and most of the remainder require a bachelor's degree. At the same time, the data suggest that fewer students are graduating from high school and moving on to colleges. Issues for the system to address include:

- ✓ Is there sufficient funding in the system to address training needs? This question can be directly tied to a much broader question of what efforts need to be undertaken to better understand expenditures, whether administrative or programmatic, to ensure that resources are being utilized effectively.
- ✓ How can career technical education be expanded to ensure that California's youth, particularly youth most in need, are prepared for the workplace and succeed in their academic and career goals?
- ✓ What career pathways are available for workers to transition to higher paying jobs?
- ✓ What additional efforts are required to build stronger partnerships among workforce development providers, given that resources are shrinking? How can California better connect students to employers?

The demographic data outline the increasing number of immigrants in California. Many of these immigrants are limited-English speaking. Issues for the system to address:

- ✓ What workplace competencies, including workplace literacy skills, can be developed to ensure that workers possess the skills that businesses need to succeed?
- ✓ How can the system better integrate with education and training partners, as well as business and industry, to address literacy barriers?

While addressing both economic and labor market issues, California must also address systemic issues. These include:

- ✓ How can the State ensure that One-Stop partners are paying their fair share? How can the One-Stop system better serve special populations such as youth, farmworkers, and individuals with disabilities? How can the local One-Stop systems partner more effectively and efficiently with the broad array of public and private workforce and workforce-related programs?
- ✓ How can the State better coordinate program activities such as performance measurement and monitoring in an effort to maximize resources?
- ✓ How can Local Boards and One-Stop Operators better meet the needs of their business communities? Currently, the types and intensity of business services varies among Local Areas. Is there a need to standardize business services?
- ✓ What waivers should the State pursue to more effectively manage the workforce development system, given limited administrative resources?

Continuous Planning

The State Board views the completion of the Plan as the first step in the Governor's efforts to redirect and improve California's workforce investment system by establishing stronger State-level leadership for the system that will align the system with the Governor's vision and priorities. Numerous issues with California's workforce system were raised during the public planning process. The State Board, which has the primary responsibility for implementing the Plan, views these issues as key elements in its public policy agenda for the next two years. That agenda will be determined and carried out by the State Board as part of a continuous, open, and public planning process that engages all State and local stakeholders and partners, including the businesses and industries that are vital to California's economic stability and growth.

Two-Year Plan Issues and Strategies: Major Themes (Arrayed Under Governor's Plan Priorities)

Priority #1: Understanding and Meeting the Workforce Needs of Business and Industry in Order to Prepare Workers for 21st Century Jobs

Major Themes:

- Supporting and improving local business services.
- Identifying and incorporating high-wage, high-growth jobs into career-oriented service strategies.
- Maximizing best practices information.
- Supporting California's small businesses.

Priority #2: Targeting Limited Resources to Areas Where They Can Have the Greatest Economic Impact

Major Themes:

- Investing resources in vital industries with statewide labor shortages.
- Continuing to improve State and local economic and labor market data.
- Targeting resources to programs, services, industries, businesses, and areas of the State that will have the most economic impact.
- Advancing workers with barriers to employment.

Priority #3: Collaborating to Improve California's Educational System at All Levels

Major Themes:

- Improving career technical and vocational education.
- Improving WIA Youth services, focusing on those youth most in need.
- Addressing literacy needs.
- Addressing apprenticeship programs.
- Addressing life-long learning.

Priority #4: Ensuring the Accountability of Public and Private Workforce Investments

Major Themes:

- Improving State and local coordination between partner agencies and programs.
- Identifying and achieving administrative efficiencies and better service integration in California's workforce system.
- Optimizing training and the availability of training funds.
- Optimizing State- and local-level capacity building and technical assistance.
- Identifying and requesting WIA waivers.
- Maximizing the effectiveness and efficiency of the workforce investment system.

Approval of Strategic Two-Year Plan

Approval of California's Strategic Two-Year State Plan for the Workforce Investment Act and Wagner-Peyser Act

Action Requested

The State Board approve the California Strategic Two-Year State Plan for the Workforce Investment Act and Wagner-Peyser Act for the period July 1, 2005, through June 30, 2007.

Summary

The Strategic Plan is due to the Department of Labor by May 31, 2005. Once the Plan is approved by the State Board, it will move forward through the Labor and Workforce Development Agency to the Governor's Office for final approval and signature.

Next Steps

The State Board must now work to prioritize the most critical issues, strategies, and suggested waivers into the State Board's policy agenda for the next two years.

Administrative Action

- **Approval of State Board Bylaws**
- **Approval of February 17, 2005, Meeting Summary**
- **Approval of April 12, 2005, Meeting Summary**
- **Approval of High Concentrations of Eligible Youth Criteria**
- **Status Report – Workforce Information Grant**
- **Update – Annual Report to the Department of Labor**
- **Status Report – Evaluation of California’s Workforce Development System: Second Interim Report**

Attachments:

Attachment 1 – Bylaws

Attachment 2 – February 17, 2005, Meeting Summary

Attachment 3 – April 12, 2005, Meeting Summary

Attachment 4 – High Concentrations of Eligible Youth Criteria

Administrative Report

Action Requested

The State Board approve the Administrative Report and the recommendations contained within, including approval of the: 1) Proposed Bylaws; 2) February 17, 2005, meeting summary; 3) April 12, 2005, meeting summary; and 4) Criteria for Awarding High Concentrations of Eligible Youth Funds.

Background

The Administrative Report is an effort to help the State Board improve the efficiency of the State Board's handling of administrative items that come before the State Board. The objective is to provide a standardized process to handle all actions related to the administration of the Workforce Investment Act (WIA).

Approval of Bylaws

The current bylaws were ratified as Attachment E of the State Plan on March 15, 2000, by unanimous vote. In conformance with the current bylaws, staff distributed the proposed changes 30 days in advance of the requested State Board action.

The proposed bylaws (Attachment 1) contains technical corrections, updated information, and attempts to fill some gaps that were identified over time by State Board members and the Administrative Committee. The following outlines the proposed changes:

Article II – Purpose	Revised to better describe the purpose of the State Board
Article III – Governance	Added to reflect reporting structure
Article IV Section 5, Conflict of Interest	Revised to reflect current policy and procedures
Section 7, Removal	Added criteria for removal of members not actively engaged
Article VI – Committees	Updated to reflect existing Committee structure
Article VII Section 1, Board Meetings	Revised to reflect the State Board's goal to meet three to four times a year

Approval of February 17, 2005, Meeting Summary

The summary for the February 17, 2005, meeting (Attachment 2) reflects the action items and informational updates provided to the State Board.

Approval of April 12, 2005, Meeting Summary

The summary for the April 12, 2005, meeting (Attachment 3) reflects public comments provided on the Strategic Two-Year Plan.

Approval of High Concentrations of Eligible Youth Criteria

The State Initiative Work Group, a subcommittee of the State Youth Council, developed criteria for awarding the High Concentrations of WIA Eligible Youth funds for fiscal year 2004-2005. Section 129 (b)(2)(C) of the Workforce Investment Act requires states to use some portion of WIA Title I-B funds for providing additional assistance to local areas that have high concentrations of eligible youth. Attachment 4 contains the criteria for awarding these funds.

Workforce Information Grant – Status Report

The U.S. Department of Labor-Employment and Training Administration (ETA) has sponsored annual grants to support development of specified “core products” by each state’s designated labor market entity since federal fiscal year 1995-96. Mandatory core products include infrastructure and product development such as electronic systems, projections, occupational research, and career materials. Last year, the ETA issued a Training and Employment Guidance Letter (TEGL) changing the annual grant application process. Specifically, the states must now ensure that these information grant proposals be agreed to, and signed off by, the State Workforce Administrator and the State Workforce Board Chair to assure that these activities reflect the State Board’s priorities.

The 2005-06 Workforce Information Grant funds the Employment Development Department’s Labor Market Information (LMI) Division for specified activities in support of LMI customers including State and Local Boards. Staff expects this year’s grant to require the same application process as last year. At this time, however, the ETA has not released information about the timeline for submitting proposals.

Annual Report to the U.S. Department of Labor - Update

The State Board staff is beginning to compile the data for this year’s Annual Report, which is due no later than October 1, 2005, to the U.S. Department of Labor. The Annual Report covers the Program Year 2004-05 and contains summaries of State and Local Area workforce activities, status of the Governor’s priorities for the workforce, and the WIA program performance information.

Evaluation of California's Workforce Development System: Second Interim Report
– Status Report

The WIA Implementation Evaluation Second Interim Report includes evaluation team findings from a survey of Local Workforce Investment Board (Local Board) Executive Directors. This survey, conducted in August and September 2004, provides basic information about Local Boards and their role in implementing WIA. Forty-nine of the 50 directors participated. The major findings gleaned from the Executive Directors' comments are:

- WIA legislation expands the mission of the local workforce development system, adding new customers, priorities, directives, and guidelines. At the same time, WIA retains most of the pre-existing policy commitments from the Job Training Partnership Act.
- WIA's emphasis on local discretion is valued by the Directors and Directors express concern that state-level directives may compromise local autonomy. At the same time, Directors desire some form of limited state support in advocating for local autonomy and coordination across local areas.
- Considerable ambiguity exists regarding the WIA mission. The key conflict is the WIA intent language indicating that Local Boards should be community catalysts for economic development, while specific statute and funding ties Local Boards to administer and oversee the one-stop system and provide workforce services to job seekers and businesses.
- Executive Directors expressed a strong desire to retain existing Local Workforce Investment Area boundaries due to the need to consider existing local relationships and partnerships that have developed over time.
- Executive Directors expressed considerable lack of support for the existing performance measure system, including the measures themselves and the lack of timeliness of performance data. This is one area where considerable support for state leadership exists.

CALIFORNIA WORKFORCE INVESTMENT BOARD DRAFT BYLAWS

ARTICLE 1: NAME

The Workforce Investment Act (WIA) of 1998 requires that each state establish a state workforce investment board to carry out certain responsibilities related to the state's workforce investment system. The *California Workforce Investment Board*, hereinafter referred to as the State Board, was established through Executive Order (D-9-99).

ARTICLE II: PURPOSE

The purpose of the State Board is to assist the Governor in implementing and continuously improving California's workforce investment and One-Stop Career Center systems and in meeting certain federal requirements to ensure the quality and efficiency of the system as required by the WIA.

ARTICLE III: GOVERNANCE

The State Board shall reside within the California Labor and Workforce Development Agency and shall report to the Governor through the Secretary of Labor and Workforce Development following protocols agreed to by the State Board and that Agency.

ARTICLE IV: STATE BOARD MEMBERSHIP

Section 1 – Appointments

The members of the State Board are appointed by the Governor in conformity with Section 111 of the WIA.

Section 2 – Composition

The composition of the State Board shall be in conformity with the WIA. The Senate President Pro Tem appoints two legislative members, and the Speaker of the Assembly appoints the other two legislative members. The Governor may add additional members to those required by the WIA.

Section 3 – Designees

Section 7.5 of the California Government Code allows a Director of a State Department or a Secretary of a State Agency, either of whom is appointed as a member of a State body, to designate a deputy director of that Department or Agency, exempt from State civil service, to act in the Director's or Secretary's place. Each Department Director or Agency Secretary may have a designee, however only one designee may vote on behalf of the Department or Agency at any one meeting. If more than one designee is present for a meeting, the Chair

will select which designee can participate in voting for that meeting. State Department Directors and Agency Secretaries must notify the Chair in writing of the names and titles of their designees prior to the designees' participation on the State Board.

Section 7.6 of the California Government Code allows a Constitutional Officer to appoint a designee. A designee for a Constitutional Officer must be a deputy who is exempt from State civil service. In addition, the California Constitution Article 9, Section 2.1, requires that the State Superintendent of Public Instruction designee be an individual from one of the following offices which are exempt from State civil service: the Deputy Superintendent of Public Instruction, or one of the three Associate Superintendents of Public Instruction. The Constitutional Officers must notify the Chair in writing of the names and titles of the designees prior to the designees' participation on the State Board.

Section 4 – Alternates and Proxies

Under no circumstances shall the State Board permit absentee or proxy voting at any of its proceedings.

Section 5 – Conflict of Interest

Members of the State Board are subject to a comprehensive body of state law governing conflict of interest. (Gov. Code §§ 81000-91014). Pursuant to State and federal law, the State Board has adopted and promulgated a Conflict of Interest Code. The State Board members, including designees, are required to file statements of economic interests with the State Board. The State Board staff will maintain copies on file and deliver the original statements of economic interests to the Fair Political Practices Commission. The statements of economic interests are governed by State law and include the specific kinds of financial information members of the State Board must disclose. Upon appointment, Board members are required to file an initial filing statement within 30 days of their appointment. Thereafter, Board members are required to file annual statements. Board members are also required to file statements upon leaving their position.

Section 6 – Resignation

A member may resign from the State Board by sending a written notice, which includes the effective date of resignation, to the Governor. The member must also send a copy of that written notice to the Chair.

Section 7 – Removal

The Governor has sole authority to appoint and to remove members of the State Board. The Chair, however, on behalf of the Administrative Committee, may request the written resignation of any State Board member who fails, without good cause, to attend three consecutive State Board meetings or who otherwise demonstrates an inability or unwillingness to actively participate in the meetings, discussions, activities, and decisions of the State Board. In the event that such a member fails to submit a written resignation, the

Chair, on behalf of the Administrative Committee, may forward a written recommendation for removal to the Governor.

ARTICLE V: OFFICERS

The State Board shall have two officers: the State Board Chair (Chair) and the State Board Vice-Chair (Vice-Chair). Both of these positions shall be appointed by the Governor and shall be of indeterminate length.

The Chair and the Vice-Chair shall be members of the private sector. The Chair shall call and preside at all State Board meetings and perform other duties as required by the State Board. The Vice-Chair shall act as Chair in the Chair's absence and perform other duties as required.

ARTICLE VI: COMMITTEES

Section 1 – Committee Structure

The State Board will operate with a committee structure comprised of standing committees, special committees, and ad hoc committees:

Standing Committees – are constituted to perform continuing functions and are permanent committees of the State Board. A standing committee is comprised of State Board members for purposes of voting. A standing committee shall have a minimum of five members in addition to the chair and the vice chair of the committee. A standing committee is established or discontinued through an amendment to these bylaws. With the exception of the Administrative Committee, the Chair shall designate the chair, vice-chair, and members of a standing committee annually, subject to ratification by the full State Board. The committee chair shall be the presiding officer at all committee meetings. The committee vice-chair shall assume the duties of the committee chair in the committee chair's absence.

Special Committees – are appointed by the State Board chair to carry out specified tasks. Special committees may include State Board members and State and local partners, stakeholders, practitioners, and customers, all as voting members. Unless otherwise specified in the description of the committees adopted as part of these bylaws, the State Board Chair shall designate the chair, vice-chair, and members of each special committee, subject to ratification by the State Board. The committee chair shall be the presiding officer at all committee meetings. The committee vice-chair shall assume the duties of the committee chair in the committee chair's absence.

Ad Hoc Committees – are informal workgroups comprised of State Board members, and/or State Board staff, and/or State and local partner, stakeholder, and practitioner staff. Ad hoc committees may be established by the Chair, the Executive Director, or special committee chairs, and are not subject to ratification by the full State Board. Ad hoc committees are time-limited and task oriented and are formed to develop work products for the State Board.

Section 2 – Standing Committees

There shall be one standing committee of the State Board:

The Administrative Committee – shall be chaired by the State Board Chair and shall consist of the Vice-Chair, the chairs of the special committees, the Secretary of the Labor and Workforce Development Agency, and the Executive Director of the State Board. The Administrative Committee shall meet at the call of the Chair, as required by State Board meetings, issues, activities, and workflow. It shall provide recommendations to the full State Board regarding standing committee assignments; coordinate the work of standing, special, and ad hoc committees; develop agendas for State Board meetings; and, in instances where urgency and time constraints do not permit items to be acted upon by the full State Board, take necessary actions and make necessary commitments on behalf of the State Board. All such actions and commitments shall be subject to ratification by the full State Board at its next regularly scheduled meeting.

ARTICLE VII: MEETINGS

Section 1 – Board Meetings

The State Board shall conduct at least one, full, public meeting each year. It is the goal of the State Board, however, to conduct full State Board meetings three to four times each year and in such locations as will facilitate the work of the State Board and the participation of the public. The meetings will be open and accessible to the public and will be publicly announced. Agendas, minutes of the previous meeting and available supporting materials for State Board meetings will be mailed to the members at least ten days prior to the meeting.

Section 2 – Board Quorum

A quorum is defined as a majority of the members appointed to the State Board. If a quorum is not present at a State Board meeting, the State Board may not vote or take action, but members in attendance may continue to meet for the purpose of discussion, including taking public testimony on agenda items.

ARTICLE VIII: CLOSED MEETINGS

A closed session of the State Board may be called to discuss personnel issues, pending litigation, or any other matters appropriate for a closed meeting under Government Code Section 11126. The Chair may call for a closed meeting, or a closed meeting may be called by any member, with a majority vote.

ARTICLE IX: PARLIAMENTARY AUTHORITY

Robert's Rules of Order shall govern the State Board in all cases in which they are applicable and in which they are not inconsistent with these Bylaws, any special rules of order the Board may adopt, or any applicable State and federal laws and regulations.

ARTICLE X: CHANGES IN BY-LAWS

These Bylaws may be amended or replaced and new Bylaws adopted by the approval of a majority vote by those members voting at a Board meeting with a quorum present, provided that the amendment is not in conflict with any State and federal laws and regulations and had been noticed in writing to all State Board members 30 days in advance of any proposed action by the State Board.

**California Workforce Investment Board
Meeting Summary
February 17, 2005**

On February 17, 2005, the California Workforce Investment Board (State Board) convened at the California Association of Counties in Sacramento, California.

The following State Board members were in attendance:

Patrick Ainsworth	Richard Mendlen
Bob Balgenorth	Kathleen Milnes
Victoria Bradshaw	Elvin Moon
Ken Burt	Patti Nunn
Mark Drummond	Tim Rainey for Art Pulaski
Scott Hauge	Barry Sedlik
Patrick Henning	James Shelby
Kirk Lindsey	Rona Sherriff
Robert Mejia for Jan Vogel	

The following State Board members were on conference call:

Chris Essel	Gayle Pacheco
-------------	---------------

Larry Gotlieb convened the meeting. Mr. Gotlieb reviewed the committee work that had been completed since the last meeting.

Welcome and Opening Remarks

Mr. Gotlieb announced the newly appointed State Board members each with considerable talent and asked them to introduce themselves and provide the other members with an overview of their background.

Ms. Gayle Pacheco of Walnut City is an Attorney and small business owner who is president of a manufacturing company that specializes in trucking parts. She is an active member of the Board of Trustees for the Mount San Antonio School District.

Mr. Sean Liou of Fremont was previously involved in a Hi-Tech industry for 12 years then moved into Real Estate in the Silicon Valley. He has served on President Bush's Advisory Committee for Asian American Pacific Islanders.

Mr. James Shelby of Citrus Heights is the current President and Chief Executive Officer (CEO) of the Greater Sacramento Urban League since 1990. He is also a member of the Citrus Heights

City Council, is an advocate for youth, and has several years of experience working with policy and workforce development for minorities.

Ms. Cynthia Amador of Alhambra (Los Angeles Area) is the President and CEO of CHARO, an economic development Community Based Organization serving the Northeast Los Angeles County.

The State Board members in attendance introduced themselves and gave brief descriptions of their current linkage to the workforce community and system in California.

Mr. Gotlieb discussed a refocusing of the State Board's mission to assist the Governor's initiatives. He also provided his thoughts on the changes facing the State Board as we move forward. Mr. Gotlieb asked Acting Executive Director Paul Gussman for his report.

Mr. Gussman provided updates on the following:

- Orientation for new State Board members was held on February 16, 2005.
- WIA Reauthorization – he reported that the House of Representatives (HR) approved H.R. 27 the Job Training and Improvement Act, and that Senate Bill (S) 9, the Lifetime of Education Opportunities Act of 2005, is a larger bill with WIA reauthorization buried within it as Title IV. Mr. Gussman indicated that if S. 9 should pass in its current form, then WIA would not remain as a separate Act.
- California's WIA Evaluation First Interim Report is on our website (www.calwia.org). Lessons learned from this report include that the State Board will need to become more active.
- The Labor Market Information Division website was redesigned to provide significant amounts of labor market information in an “easy to read/navigate” format.

Mr. Gotlieb thanked Mr. Gussman for the update and proceeded to introduce the newly appointed Employment Development Department Director, Mr. Patrick Henning. Mr. Henning indicated that as Director of the Employment Development Department the State Board should expect his continued support and cooperation. His comments included:

- Challenging Times ahead based on the President's propositions.
- Status of Governor's 15% discretionary funds
 - Received 179 proposals for funds under Title I
- Veteran's Assistance Request for Proposal
 - Received 52 proposals for grants
- Announcement of Grantees Awards for both proposals would be out within a few days.
- Two-Year State Strategic Plan- he acknowledged the challenges presented in writing the State Strategic plan within the short mandated time frame.

Mr. Gotlieb introduced the new U.S. Department of Labor (DOL) Western States Regional Administrator, Mr. Richard Trigg. Mr. Trigg echoed the sentiments of Mr. Henning regarding the challenging times ahead and said the State of California could expect full partnership from the DOL. Mr. Trigg's comments are summarized below:

- The administration made \$248 million dollars in community based job training grants available for the Community Colleges to increase their training capacity.
- The administration is placing more emphasis on the President's Reentry Initiative for previously incarcerated individuals within the community to reduce the rate of recidivism.
- Reauthorization appears imminent for this year. Additional bills were added to the Senate on the President's Job Training reform proposal to consolidate nine job training programs and five other programs centering on adult education.
- Passage of the additional bills will give States the option of reporting to only one Federal entity.
- Each State must submit a new WIA Strategic Plan encompassing the first two of the next 5 Years in anticipation of Reauthorization. Plans are due to the DOL by May 31, 2005.

Approval of the September 29, 2004 State Board Meeting Minutes

Kathleen Milnes made the motion and it was seconded by Patti Nunn, and unanimously approved.

Mr. Gotlieb indicated that the Administrative Committee was looking at the size of the State Board for effectiveness and various other housekeeping items to keep the State Board meeting agendas freed up for discussions on salient workforce policy development issues. The WIA Evaluation Interim Report provided welcomed insights to the state of affairs and challenged the State Board to improve greatly.

Governor Schwarzenegger's Charge to the State Board

Mr. Gotlieb asked Victoria Bradshaw, Labor and Workforce Development Agency Secretary to discuss the Governor's charge to the State Board and his policy direction.

Ms. Bradshaw began with a discussion on the role of the State Board members, which is to help develop and provide guidance to the Local Boards and the Governor on policies under the WIA. The Governor charged the State Board with three major policy areas:

- High Wage, High Skill jobs – jobs that help communities thrive rather than just survive.
- Barriers – skills to move workers beyond minimum wage and up the career ladders.
- Statewide Shortages – one example is nursing which affects everyone in the state.

The Governor wants and expects guidance from the State Board on – How to make California work from an economic and competitive perspective. How do we create good jobs? The Interim Report on WIA not only indicated that the State Board was perceived as unsuccessful and, it could be argued, that the State Board also was not "relevant". The question before the State Board is how we can partner with the community to be effective. The prior focus was on infrastructure, or simply how do we deal with Federal requirements? What the Governor wants

is the State Board to establish what should be done. The State Board should be the primary mover in this area, not on automatic pilot.

Kirk Lindsey commented by sharing the frustration of his colleagues and their lack of inclusion in the decision process. In the past, the theme was “the Horse is out of the Barn”, and the focus was on dragging it back in the barn. How big is the window of opportunity? How much money will be targeted toward this effort?

Ms. Bradshaw responded by saying “ask yourselves, how many Local Workforce Investment Areas do we need?” She indicated that she did not have the answer to the question; however, it needs to be examined. A lot of money comes off the top for infrastructure and we need to work with the locals to minimize infrastructure costs in order to maximize the available training dollars.

Ms. Nunn commented it appears that the Horse already is out of the barn; and that one size training does not fit all. Local Areas have been operating independently for a long time with a certain level of success. An example cited was San Francisco where operational costs are significantly higher than other parts of the state.

Rona Sherrieff commented workforce development is bigger than the Local Boards, K-12, or the Community Colleges. The State Board needs a larger, broader vision and more focused recommendations because there is a lack of a big picture. Both Community Colleges and the Department of Education need to be involved in the bigger WIA infrastructure discussions.

Ms. Bradshaw cited the efforts of Mark Drummond at the Community Colleges. The State Board needs to step back and examine what exactly it is we buy (i.e. it’s not just about funding projects; we need to see and be part of the results). She indicated that there are overlapping areas and the State Board needs to focus on workforce development policy under the WIA. For example, there is a severe nursing shortage in California. The State Board could identify this as a priority and then develop policy that provides the “most bang for the buck” by leveraging funds and establishing accountability factors for the monies spent on nurses training in California.

Mark Drummond responded that nothing has changed as this is a historical problem as well as a silo funding problem. What is required is a firm sunset provision for these types of programs and laws to actually retire projects. The passage of Proposition 59 provides Community Colleges with funding dollars to apply towards infrastructure over the next year, 55 Districts need new money to build colleges. 39% of all students in Community Colleges in the Nation are located in California. California has 109 Community Colleges. He concluded his comment by indicating that the State Board could set workforce development priorities and perform evaluation activities. Ms. Bradshaw responded that if the State Board and locals do not do it then the entire system suffers.

One member mentioned the lack of regulatory authority of the State Board. Ms Bradshaw responded that first the State Board has to demonstrate that it can do some good. Scott Hauge questioned, how are we going to be taken seriously if we do not have any authority? Ms. Bradshaw responded that to be relevant requires focus and inclusiveness with the locals. She

then clarified the comments made earlier related to the transition from the Comprehensive Employment and Training Act (CETA) to the Job Training Partnership Act (JTPA) to WIA. Although each program should have resulted in fundamental change, they were treated only as administrative changes. Kirk Lindsey disagreed with Ms. Bradshaw stating that CETA and JTPA both were for training of the indigenous population; however, WIA is a train everyone program. The WIA program no longer places emphasis on those most in need and the Feds are redefining the Youth population.

Elvin Moon suggested that an approach might be to set-aside 10% of the budget for the offenders program to reduce recidivism. The State Board needs to pay more attention to youth, specifically gang influence. We need to reach out and involve more people who have the capacity to affect youth, especially young men. Ms Bradshaw indicated that the State Board may be a voice in Vocational Education; however, we have a small role and we do not have the budget to be a major player. Patti Nunn commented that the State Board needs to focus on youth and we should facilitate the conversation to assure a youth voice.

Mr. Gotlieb thanked everyone for their participation and comments and proceeded to discuss the recent DOL mandate that each state create a new WIA Strategic Two-Year Plan. This plan will replace the original WIA Strategic Plan completed in 2000. The new WIA Two-Year Plan communicates to DOL how California will operate and improve the WIA One-Stop Career Center system in California. It will become the benchmark upon which DOL will evaluate California's WIA performance and operations.

In order for the State Board to take a more proactive role in the development of the new WIA Two-Year plan, Ms. Bradshaw suggested that the State Board create three committees to provide input to staff on the content of the plan. Mr. Gotlieb reached out to active State Board members and recruited three members to serve as chairs for these committees. The three committees, and their respective chairs and assigned senior CWIB staff are:

- High Wage High Growth - T. Warren Jackson Chair, David Militzer CWIB staff;
- Statewide Labor Shortages - Kirk Lindsey Chair, David Illig CWIB staff;
- Advancing Workers - Chris Essel Chair, and Paul Gussman CWIB staff.

Mr. Gotlieb then asked for volunteers to work on the special committees. He reiterated the very short timeframe to complete the new Two-Year plan, due in Washington, D.C. on May 31st with the Governor's signature. The timeline for developing the plan is as follows:

March 2005 – 1st & 2nd week(s) public Special Committee Meetings throughout California

- Advancing Workers will meet on March 10 in Southern California
- Statewide Labor Shortages will meet on March 14 in Fresno
- High Wage High Growth will meet on March 14 in Oakland

April 12, 2005 - State Board meeting to review, discuss and take public comment on the Two-Year Draft Plan.

May 12, 2005 - State Board meeting to approve final WIA Two-Year plan.

May 15, 2005 - Strategic Two-Year State plan to the Governor's Office for signature.

May 31, 2005 - Electronically transmit WIA Strategic Two-Year State plan to DOL.

Ms. Bradshaw commented that the development of this new Two-Year plan could be the beginning of future WIA discussions. Therefore, the work of these committees is critical because the issues identified could be the issues the State Board may want to consider as the work for the upcoming year. It is envisioned that the committees will meet early in March and based on the issues identified meet at least once or twice during the coming year to continue their work. The initial charge of the committees is to consider the strategic questions that require an answer for the Two-Year plan. It is not expected that the committees will actually answer the questions; however, they should obtain public input and provide direction for staff in writing the plan.

Mr. Gussman indicated that the plan's development process is designed to be inclusive. Because of the very short time frame, we will be using the CWIB's website as the primary distribution tool for public comment and input. The draft of the plan will be placed on the State Board's website on April 1, 2005, for public review and comment. The State Board staff will also distribute an email to the State Board's interested parties list and to all CWIB website subscribers. We want to involve as many agencies, partners and people in the process as possible.

Mr. Lindsey asked how State Board members can be involved on more than one committee if two or three meetings are on the same day. Dennis Petrie responded to the question indicating that it is essential to create a parallel process, and members could choose which committee was of greatest importance to them and potentially send representatives to the other committee meetings.

Mr. Gotlieb thanked Mr. Gussman for the inclusive process and supported the concept that it was advantageous to each of the State Board members to have input into the process.

Regional Economies Project

Dr. Ed Kawahara, from the Labor and Workforce Development Agency, provided the State Board an update on the most recent work associated with the Regional Economies project. The Power point presentation displayed the recent analysis showing the occupational growth potential for three selected areas of study including healthcare, manufacturing and a diverse set of industries growing in rural California labeled the quality-of-life clusters. The summary of findings on these emphasis areas indicated there were significant opportunities for occupational growth in each of these categories. State Board members were provided with summary reports also available on the Internet at <http://www.labor.ca.gov/panel/expcrepcer.htm>.

Old Business

Mr. Gussman reminded State Board members that the Form 700 filing packet (Conflict of Interest) needs to be returned to staff by March 7, 2005.

Modification of an Existing Area and Application Package

Ms. Nunn reported on the status of the Modification of an Existing Area work group, first by thanking staff, and then providing a historical perspective on the issue. The State Board was to develop a policy to accommodate Local Area requests for existing LWIA boundary modifications. The Regional DOL office recommended that California develop a policy as there are no federal guidelines or regulations in this area. Ms. Nunn pointed out that this was a very collaborative effort and public input was received. The recommendation from this workgroup is that the State Board approve the policy and application package as written.

Mr. Gotlieb acknowledged the efforts of Jan Vogel, Ms. Nunn and the workgroup members on this item, and then called for a motion to approve the policy.

Mr. Drummond made the motion for approval seconded by James Shelby. The State Board unanimously approved the policy.

State Youth Council Report

Myeshia Grice, Vice Chair of the Youth Council, reported that the SYC is charged with developing and making a recommendation on the Work Readiness Certificate (WRC). Ms. Grice indicated that the SYC was not prepared to make a recommendation and believes that the WRC should be for youth only even though it will affect adults. She believes it should be used as a multi-phase framework. Ms. Grice asked Robert Padilla, State Department of Education liaison to the State Board, to provide an update on the Work Readiness Certificate.

Mr. Padilla indicated that his investigation focused on youth although he was aware that several of the LWIB's had adopted their own version of a WRC that was available for all workers. His comments are summarized below:

- A WRC used for all ages primarily indicates that the person holding the certificate had successfully completed a series of courses or tests centering on work habits, work environments and the ability to work in a team environment.
- LWIBs who issue their own WRC have support from the local business community.
- WRC's primarily are used to alleviate employer concerns about the ability of the certificate holder to do the job and to show up for work. Employers want to know if individuals holding the WRC have the skills to do the job. A simple yes or no answer is expected.
- The certificate can be anything from a trade school certificate to a simple assessment by a One-Stop operator stating the individual can hold a job.
- National efforts are underway to standardize what a WRC really is, but currently there is no national standard. There are several national level tools however, used to determine applicant aptitude to perform a job or work in certain industries.

- Finally, he suggested that the State Board build upon the work already underway and then let the locals decide if they want to implement a WRC in their areas or not.

Ms. Bradshaw commented that a certificate does not necessarily guarantee that a person will be a productive part of the business community.

Mr. Shelby commented that he did not see the necessity for a work readiness certificate. Isn't that what the high school diploma is for?

Mr. Padilla responded that researching the certificate revealed that no one individual certificate would do everything for everybody. Each area is different, and therefore, has different needs. He suggested that the State Board adopt a set of guiding principles with elements of work preparation, literacy, job profiles and behavioral items.

Mr. Lindsey suggested that the State Board look at developing 4 or 5 different types of certificates (i.e., using the work keys approach with the manufacturing industry). The business community is not getting what it needs through the community colleges, and industry doesn't know what it wants therefore, it is impossible to determine which way they need to go.

James Shelby commented that this is just creating an additional layer of bureaucracy. The real issue is that employers do not want to expend additional money on training.

Ms. Sherriff commented there has been a lot of movement and suggests that Pat Ainsworth do a presentation before the State Board so they can decide which way to go as the groundwork has already been completed.

Ms. Nunn indicated that manufacturing wants to know that individuals they hire have some basic skills. Ms Bradshaw indicated that the problem is not education's fault, there should be a policy.

Mr. Drummond related his experience in the state of Washington with a Work Readiness Certification process (was not a good experience). Business forced the community colleges into using their work readiness certificate and redefined the curriculum. He advises that the State Board proceed with caution.

Ken Burt commented that he understands business and people's needs, however, not clear why a WRC would be beneficial or what is the purpose; it does appear to be another layer of bureaucracy.

Gayle Pacheco acknowledged the efforts of the SYC members in trying to work through this complex issue. She believes that the real problem is the work ethic throughout the country; life skill courses require an extreme amount of time. The state already requires these courses therefore; they should issue the work readiness certificates.

Mr. Padilla clarified that the workgroup's goal is to take the information that has been researched from Work Keys, Scans, and have the youth council put together a document for endorsement of work readiness, which is a master list of nine goal areas not a work readiness certificate.

Bob Goetsch representing Work Keys commented that Work Keys was one of the major tools used when LWIBs and industry wanted to issue a type of Work Readiness Certificate. He gave his endorsement of the Work Key model and applauds the State Board for examining the certificate process. He indicated that Work Keys is a good tool to articulate employer needs and suggested moving from a discussion point to an action item.

Return on Investment

Mr. Gotlieb moved on to introduce David Illig, State Board staff to provide an informational update on the Return on Investment (ROI) project.

Mr. Illig indicated that Beverly Odom and he had reviewed several national models and are not ready to make a recommendation at this time on which model is the best to use in California; each model has both good and bad aspects. As used, the term ROI refers to a broad range of techniques for measuring return on investment of public funds. ROI also refers more generally to the need to measure performance and results. When it comes to measuring public programs, ROI is more complicated than when conducting a profit analysis in private industry. There are numerous factors that have to be taken into consideration. Mr. Illig went on to present the various types of models of ROI.

Ms. Bradshaw commented that she wants baseline information and does not want this to become as complicated as the Performance Based Accountability System. She acknowledged that this is a difficult area; however, the approach should address the simple measure of ROI. She indicated that Agency will provide direction to Mr. Illig.

Public Comment - Pamela Calloway & Robert Blume

Both indicated their disappointment that a specific model was not being used as a pilot throughout the state. There are several locals who currently use this as a product. They recommended using the simplest ROI measure (the Input/Output Model) as the pilot product.

Mr. Illig responded that several one-page descriptions could be put together on the various models for the next board meeting should there be an interest.

Public Comment - Carlos Lopez

Mr. Lopez indicated that less than 6% of all resources in California are used for training. Skill trained and technical training is essential to the state. It is important for the State Board to determine what their policy might be to increase training.

Mr. Gotlieb adjourned the meeting after a few closing comments by the State Board members.

**California Workforce Investment Board
Meeting Summary
April 12, 2005**

The California Workforce Investment Board (State Board) met at the Sacramento Employment and Training Agency to review the draft Workforce Investment Act (WIA) Strategic Two-Year Plan and to hear public testimony on the plan.

The meeting was called to order by Larry Gotlieb.

Members in attendance:

Cynthia Amador	Sean Liou
Ken Burt	Ken Merchant for Richard Mendlen
Mark Drummond	Gayle Pacheco
Chris Essel	Pete Parra
Jaime Fall for Victoria Bradshaw	Deborah Sanchez for Mayor Pulido
Ed Heidig for Sunne Wright McPeak	Al Tweltridge for Patrick Ainsworth
Kirk Lindsey	Jan Vogel for Assembly Member Horton

On Conference Call:

Bob Balgenorth
T. Warren Jackson
Elvin Moon

Welcome and Opening Remarks

Mr. Gotlieb opened the meeting acknowledging that the draft State Plan was completed on time and sent out to the general public and State Board members as promised. He further indicated the strategic plan reflects the push for flexibility that the Department of Labor (DOL) has suggested each state use when developing their individual State plans.

Update on the Two-Year Plan Process

Mr. Gotlieb asked the State Board Acting Executive Director, Paul Gussman, to discuss the process. Mr. Gussman began by noting that this has been a heroic task and thanked all contributors. He proceeded with a power point presentation that covered the following points:

- Development of the Strategic Plan is an on-going extensive process.
- Three public committee meetings and two workgroup meetings were held at the locations listed below and all comments were recorded. Each of the meetings provided input on California WIA Strategies.
 - Glendale, March 10, Advancing Workers Special Committee
 - Fresno, March 14, Statewide Shortages Special Committee
 - Oakland, March 14, High Wage High Growth Jobs Special Committee
 - Sacramento, March 11, Local Partners
 - Sacramento, March 16, State Level Partners

- The Governor's focus and the focus of the Strategic Plan are consistent with the eight DOL National Priorities.
- Several themes emerged from the public comment and meetings. They include:
 - Improving State and local partnerships
 - Universal Core Services
 - Local Business Services
 - Better integration with education and economic development partners
 - Serving youth most in need
 - Reducing administrative costs and increasing training
 - Waiver suggestions
- Mr. Gussman summarized the work that remains. The next meeting is scheduled for May 12th in Sacramento at the California Environmental Protection Agency Headquarters. The final draft Strategic Plan will be an action item. Once approved by the State Board it will be forwarded to the Labor and Workforce Development Agency for approval and submitted to the Governor's office for signature. The plan is then sent to DOL by the May 31, 2005 due date.

Overview of the Draft State Plan

Mr. Gotlieb proceeded to ask Jaime Fall, representing Labor and Workforce Development Agency Secretary Victoria Bradshaw, to provide an overview of the State Plan. Mr. Fall outlined the table of contents and reviewed the vision for California's workforce development system. He then focused on the Governor's priorities, which are included in Sections I & II of the plan and are listed below.

- Building a Demand Driven Workforce System to Better Meet the Workforce Needs of Business and Industry,
- Targeting Limited Resources to Areas Where They Can Have the Greatest Economic Impact,
- Improving California's Educational System at all Levels, and
- Maximizing the Effectiveness and Efficiency of Public and Private Workforce Investments.

He also reviewed the concept of seeking waivers and potential waiver topics. He indicated that waiver requests will come after the State Board has identified the issues under the four themes of the Strategic Plan that will be the focus of the State Board's work.

Public Testimony

The next order of business was to accept public testimony. Mr. Gotlieb encouraged State Board members to ask questions and interact with those providing comments.

First to speak was host agency Deputy Director, Robin Purdy from the Sacramento Employment and Training Agency (SETA). Ms. Purdy's testimony began with an explanation of how the building we are in today came about. She provided a historical perspective citing the three county agency partnership and the blending of resources from separate agencies to create a

beautiful facility used by three separate but interlinked agencies. Ms. Purdy then went on to comment on the State Plan.

The following table represents the subject and specific recommendation(s) from each commenter:

Commenter/Topic(s)	Recommendations
Ms. Robin Purdy, SETA	
Reduce Administrative Costs to Increase Training Dollars	Conduct a thorough review of all administrative costs for all Local Workforce Investment Areas (LWIAs). The assumption that there is "waste and fraud" may be unfounded.
Require each Local Board to allocate a percentage of their full allocation for training programs	More Local Workforce Investment Boards (LWIBs) are developing customized training that meets specific local industry needs, i.e., manufacturing, construction and specific service sector training. This training includes on-the-job training as well as industry and topic specific training. Ms. Purdy encouraged the State Board to approach this subject with the philosophy, that <i>Not One Size Fits All</i> .
Mr. Stewart Knox, CWA	
Scope of Plan	Scope is very general and focuses on a narrow set of agencies; suggests adding community based organizations & schools along with other local partners. Include what other agencies are doing in workforce development.
Statewide Funds	Suggests the State Board examine all 15% funding. Tie all 15% funds to LWIBs. Use Solicitation for Proposals to indicate local buy in. Use WIA funds at the local level to get the "biggest bang for the buck".
Demand Driven System	Requires staff training
Inefficiencies	Examine ways to reduce duplicative efforts, perhaps through memorandums of understanding. Streamline systems; partner with other agencies that function as a "stand alone" system.
Ms. Aimee Durfee, National Economic Development Law Center (NEDLC)	
Adopt self-sufficiency Standard to define High Wage High Growth	NEDLC is a technical assistance vendor for many of the California (CA) LWIBs. They produce the CA Self-sufficiency standard available for all CA counties. They also produce 22 other self-sufficiency standards for other states and their respective counties. Suggests adopting NEDLC's CA Self-sufficiency Standard as the state standard.

Ms. Charlene Mouille, New Ways to Work	
Youth Councils	Information in the WIA Two-Year Plan is consistent with information NWW receives from individual Youth Councils. Suggests including stronger statements related to youth in any WIA reauthorization comments including the value of local Youth Councils.
Youth in Demand Driven System	In building a demand driven system need more clarity for youth and how they will enter and work within the system.
Work Readiness Certificate (WRC)	63% of CA Youth Councils report using or planning to use a WRC and the use of a WRC should be tied to a demand driven system.
Training needs	Increase the knowledge and capacity of local service providers. Need assistance in carrying out DOL's new Youth Vision. All Youth Councils need technical assistance.
Targeting limited resources	Continue to leverage youth funds; suggest interagency agreements. More involvement at the State level with Juvenile Justice and Department of Social Services.
Youth	82% of all local Youth Councils have adopted and function under an "All Youth One System" concept. Create more innovative projects at the State level using leveraged multi-agency funding. Suggests more coordination at the State level.
Dominic Massetti, Unemployed Dislocated Worker – ProMatch, Sunnyvale	
Vision for State Plan	<p>Four suggestions for the State Plan using innovation to compliment the Advancing Workers concept.</p> <ol style="list-style-type: none"> 1. Fund an Entrepreneur training program. 2. Adopt the Employment Development Department's (EDD's) Experience Unlimited job club model that allows a worker to participate in a self-help program using state supplied resources to conduct a job search with dignity. Not co-dependent on staff. 3. Develop a transferable skills project that can be used by employers to hire workers from outside their industry. Suggests the project should be an incentive (bonus or tax credit) to employers to use the transferable skills concept when making hiring decisions. 4. Develop a common language so that all businesses will understand job descriptions and skills, knowledge, and abilities to do the job. Recommends adopting the O'NET online job description tool.

Mr. Gotlieb thanked the public for their comments.

Board Member Comments

- We should include dislocated workers in Advancing Workers discussion.
- Some local areas cultivate entrepreneurs while others are not as familiar with this type of employment option.
- Consider the implications of what the High Wage concept really means. In the Central Valley \$8-10/hr. is considered a High Wage job. We need to know how to account for regional differences in California.

Jan Vogel commented that there is a current issue before the LWIBs regarding integration of services. The EDD recently issued a Directive that makes it more difficult to serve WIA customers due to new unemployment claim filing requirements. Dennis Petrie has convened a meeting to meet with local WIB Directors and Unemployment Insurance staff to resolve this issue.

State Board members raised questions as to the next steps and their involvement in the State Plan. Jaime indicated that at the next meeting these types of questions would be answered by the State Board members once the State Plan is approved. Several State Board members inquired if there would be a shorter version of the State Plan. Mr. Gussman and Mr. Fall indicated that an Executive Summary was being written and would be available for all State Board Members prior to the next meeting on May 12.

Dennis Petrie, EDD Workforce Development Branch Deputy Director spoke to the State Board on behalf of EDD. He stated that the WIA Strategic Two-Year Plan was a transition document. Mr. Petrie indicated that the State Plan dealt with Title I B and Wagner-Peyser funding only. He reminded the State Board that there are five titles in the WIA. He suggested examining the whole system, working with the California Department of Education, Department of Rehabilitation and speaking with all system partners. With the integration of resources the State could produce a Unified WIA State plan. This can be accomplished because all State Partners are represented on the State Board. Mr. Petrie also indicated there would be "turf issues" to address but felt they could be overcome.

Mr. Gotlieb thanked Mr. Petrie and adjourned the meeting.

High Concentrations of WIA Eligible Youth Program Year 2004-05 Funding Criteria

Background

Section 129 (b)(2)(C) of the Workforce Investment Act (WIA) requires states to use some portion of WIA Title I-B funds for additional assistance to Local Workforce Investment Areas (Local Areas) that have high concentrations of eligible youth. The intent of the funding is to assist the Local Areas in increasing the number of youth receiving WIA services.

The State Youth Council (SYC) State Initiative Work Group met to develop criteria for awarding the High Concentrations of WIA Eligible Youth funds for Fiscal Year 2004-05. The Work Group's primary focus was to meet the intent of the law, target the hardest to serve youth and leverage other non-WIA resources. The five priority areas listed below were based on the DOL Youth Vision, the Governor's priority of advancing workers with barriers to employment, and the DOL/ETA Planning Guidance training that emphasized services to the neediest youth, which included youth with disabilities.

Local Areas will apply for funds based on an application process. Once the State Board adopts the criteria, State Board staff in coordination with Employment Development Department staff will prepare a directive for this process.

High Concentrations of Eligible Youth Criteria

The following criteria were developed for an application process to distribute funds to the Local Areas having the highest concentration of WIA eligible youth:

- A Local Area having a high concentration of WIA eligible youth defined as a ratio of eligible youth to all youth that is above the State average of 23.6% are eligible to submit a request for funding. Twenty-seven Local Areas meet this requirement.
- The Local Area must select one priority area of focus from the following list:
 - Foster Youth
 - Youth Offender
 - Youth with Disability
 - Migrant Farm Worker Youth
 - Youth of Incarcerated Parents
- The application amount cannot exceed \$75,000 subject to the availability of funds.
- The application must match the requested amount using a match of one dollar of non-WIA funds for each three dollars of high concentration grant funds.
- The Local Area must use the High Concentrations grant to serve additional youth.
- The Local Area must meet WIA youth performance and expenditure requirements including the 30% out-of-school youth requirement.

Public Comment

Other Business that May Come Before the Board